

## TIMBER OPERATIONS ON MENOMINEE RESERVATION, WIS.

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JANUARY 16, 1925.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

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Mr. KNUTSON, from the Committee on Indian Affairs, submitted the following

### REPORT

[To accompany S. 3036]

The Committee on Indian Affairs, to whom was referred the bill (S. 3036) to amend the law relating to timber operations on the Menominee Reservation in Wisconsin, having considered the same, report thereon with a recommendation that it do pass without amendment.

The Secretary of the Interior has recommended this legislation, and the facts are fully set forth in the letter from him under date of March 31, 1924, which is attached hereto and made a part of this report.

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DEPARTMENT OF THE INTERIOR,  
Washington, March 31, 1924.

Hon. JOHN W. HARRELD,  
*Chairman Committee on Indian Affairs,  
United States Senate.*

MY DEAR SENATOR HARRELD: Under the provisions of an act of March 28, 1908 (35 Stat. 51), extensive logging operations have been conducted at Neopit, Wis., within the Menominee Indian Reservation, during the past 15 years. Changes in the labor market and in industrial conditions generally since this enterprise was started in 1908 make it practically necessary that a large part of the logging and milling operations be conducted on a piece basis rather than by day labor.

The Comptroller General of the United States has ruled that the procedure that has been followed at Neopit in procuring the performance of work on a piece basis is not in accord with the requirements of the special Menominee logging act or with the provisions of the Revised Statutes relating to the execution of formal contracts for the performance of work done under the direction of the Department of the Interior.

While it is the purpose of the department to employ Indians wherever practicable and to afford a training for them at the mill, it is necessary that white men be employed in many of the skilled positions, and the supply of Indian labor has never been sufficient to remove the necessity of employing many white men as

ordinary laborers. In view of the fact that an operation of the Menominee Indian mills at the highest state of efficiency is not practicable under a compliance with the provisions of the present law forbidding the employment of any white men on a contract or piecework basis the department believes a modification of the law is highly desirable.

Section 3709 of the Revised Statutes requires that all contracts for supplies and services, except for personal services, shall be preceded by advertisement and the receipt of proposals, except where the public exigency shall require immediate purchase; and 3744 of the Revised Statutes requires that every contract made by an officer of the Interior Department on behalf of the Government shall be reduced to writing and a copy thereof filed in the returns office of the Department of the Interior. A compliance with the requirements of sections 3709 and 3744 causes much delay in connection with the class of purchases that the Indian Service is required to make at Neopit and frequently results in substantial losses. Under these sections, as interpreted by the General Accounting Office, the purchase of inferior goods is sometimes unavoidable and the delay incident to the receipt of bids and execution of formal contracts deters responsible parties from making agreements that would enable the Indian Service to take advantage of the market. The effect of the application of these sections is to make it difficult for the Indian Service to compete with similar private industrial enterprises that are not subject to such restrictions. The operation of the Menominee Indian mills is essentially a complex business enterprise. All expenses connected with the project are paid from Indian funds and the net proceeds are deposited to the credit of the Menominee Indians. It is believed that an enterprise conducted with Indian funds for commercial purposes should be relieved from the requirements of sections 3709 and 3744 of the Revised Statutes.

A draft of legislation prepared with these objects in view is transmitted herewith. The department would be pleased if legislation of this character could be effected. Since the Comptroller General has advised that the present procedure should not continue beyond June 30, 1924, legislative action will need to be taken at the present session of Congress to enable the department to continue the logging and milling enterprise on an efficient basis.

Very truly yours,

HUBERT WORK.